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# Treasury Financial Manual

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## Chapter 1000

### TREASURY INVESTMENT PROGRAM (T/L 2)

This chapter guides depositories participating in the Treasury Investment Program (TIP).

#### Section 1010—Applicability

Volume III of the Treasury Financial Manual (TFM) includes instructions for financial institutions that participate in the Treasury Tax and Loan (TT&L) program. Those institutions also are bound by applicable Federal Reserve Bank (FRB) operating circulars that supplement regulations in Title 31 of the Code of Federal Regulations, Parts 203 and 380 (31 CFR 203 and 380). The Bureau of the Fiscal Service (Fiscal Service) makes the TFM available on its website at [www.tfm.fiscal.treasury.gov](http://www.tfm.fiscal.treasury.gov).

#### Section 1015—Authority

Title 31 CFR 203 and 380 govern:

- Treasury Tax and Loan (TT&L) depositories that maintain and administer TIP main account balances and Special Direct Investment (SDI) account balances.
- Collateral security requirements.

#### Section 1020—Definitions

**Advice of Credit (AOC)**—Depositories use Treasury Form 2284: Advice of Credit, to summarize and report Federal Tax Deposit (FTD) coupon deposits to the Internal Revenue Service (IRS) and the FRB. They should send AOC information electronically to the National Customer Service Area (NCSA). Treasury charges depositories for late AOCs.

**Automated Clearing House (ACH) Credit Entry**—An ACH credit entry is a transaction originated by a financial institution in accordance with applicable ACH association formats and applicable laws, regulations, and procedural instructions. The taxpayer instructs its financial institution to initiate the transfer of funds to make a Federal tax payment from the taxpayer's account to the Treasury General Account (TGA).

**Automated Clearing House (ACH) Debit Entry**—An ACH debit entry is a transaction originated by the TFA, at the request of the taxpayer, in accordance with applicable ACH association formats and applicable laws, regulations, and procedural instructions. The taxpayer instructs the TFA to initiate the transfer of funds to make a Federal tax payment from the taxpayer's account at its financial institution to the TGA.

**Balance Limit**—Balance limit is the highest amount a depository has stated it will accept in its TIP main

account balance and must be fully collateralized.

**Borrower-In-Custody Collateral (BIC)**—Also referred to as Off-Premise Collateral (OPC). BIC and OPC refer to an arrangement by which an institution pledging collateral to secure SDIs in TIP is permitted to retain possession of that collateral on its own premises, subject to the terms and conditions agreed upon between the FRB and the financial institution.

**Bureau of the Fiscal Service (Fiscal Service)**—Fiscal Service is a bureau within Treasury with regulatory responsibility to establish acceptable collateral and to determine the valuation of the collateral for the TT&L program.

**Business Day**—Any day on which the FRB is open is considered a business day.

**Capacity**—A depository's capacity for its TIP main account balance refers to its balance limit or current collateral value (whichever is lower) minus its current account balance. Pending withdrawals and investments are included in the calculation. The depository's capacity for its SDI account balance refers to current collateral value minus account balance.

**Collateral**—Collateral is a marketable security or instrument that has been determined by Treasury and approved by the FRB as acceptable. The pledgor (depository) gives collateral to secure deposits or investment balances at risk to Treasury. Acceptable collateral and its valuation is defined in 31 CFR 380. See the Fiscal Service website at [www.fiscal.treasury.gov](http://www.fiscal.treasury.gov) for a list of acceptable collateral.

**Collector Depository (formerly Remittance Institution)**—A Collector depository is a TT&L depository that accepts electronic and/or paper tax payments from its corporate customers, but does not retain any such deposits as tax investments and does not accept Direct Investments or SDIs. The amount of paper tax deposits collected by the Collector depositories is withdrawn from the depository's reserve account for deposit to Treasury's account on the business day that the FRB receives AOC information supporting the deposits. The amount of electronic tax transactions initiated by the depository will settle on the processing or settlement date (that is, ACH transactions settle on a future business day; same-day transactions settle the day received). Because paper tax deposits settle on the day after the depository receives them, the depository has overnight use of the Federal tax deposit funds, which must be fully collateralized.

**Depository**—A depository is a financial institution authorized to participate in the TT&L program. (See also Treasury Tax and Loan Depository.)

**Direct Investment**—A Direct Investment places Treasury funds with a designated depository, resulting in a corresponding increase in the depository's TIP main account balance and reserve account credit.

**Dynamic Investment**—A Dynamic Investment is a same-day investment with a designated depository. These investments normally occur hourly from noon until 5 p.m. eastern time (e.t.) and consist of funds that would otherwise flow back to Treasury for the day.

**Election of Option Form**—An existing depository uses this form to indicate a change in the option (Collector, Retainer, or Investor) under which it will administer its TIP main account balance and/or participate in TIP. The NCSA supplies Election of Option Forms.

**Electronic Federal Tax Payment System (EFTPS)**—EFTPS is the system through which taxpayers remit Federal tax deposits and payments electronically.

**Federal Reserve Account**—This is an account with reserve or clearing balances held by a financial institution at an FRB.

**Federal Reserve Bank (FRB) TT&L Application Deposits**—Currently FRB TT&L application deposits include electronic Federal tax payments through EFTPS using ACH (credits or debits), and same-day tax deposits (using Fedwire® value, Fedwire® non-value, and the FedLine® taxpayer deposit application) or paper coupons through PATAX. The Federal Reserve's TIP system places TT&L deposits to a depository's TIP main account balance or collects/reports them upon receipt.

**Federal Reserve-Electronic Tax Application (FR-ETA)**—FR-ETA is the office at the FRB of Minneapolis and is a subsystem of EFTPS that receives, processes, and transmits same-day Federal tax payment information for taxpayers to the IRS through a TFA. Financial institutions use the Federal Reserve System's Funds Transfer System or the FedLine® taxpayer deposit application as the delivery mechanism to FR-ETA.

**Federal Tax Deposit (FTD)**—An FTD is a Federal tax deposit or payment made by taxpayers using an FTD coupon.

**Federal Tax Deposit Coupon (FTD coupon)**—IRS Form 8109: Federal Tax Deposit Coupon, accompanies a Federal tax deposit. The IRS supplies FTD coupons to taxpayers.

**Federal Taxes**—Federal taxes are those taxes or other payments specified by the Secretary of the Treasury as eligible for payment through EFTPS or PATAX.

**FedLine®**—FedLine® is the computer-based electronic delivery system that affords financial institutions access to the Federal Reserve System's services and information.

**FedLine® Taxpayer Deposit Application**—Within FedLine®, this application supports the same-day reporting of Federal tax payments on the date of settlement.

**FedLine® Taxpayer Deposit Transaction**—This is the same-day Federal tax payment information transmitted to FR-ETA by a financial institution using the Federal Reserve's FedLine® taxpayer deposit application. These transactions settle through TIP throughout the day.

**Fedwire®**—The Federal Reserve System owns and operates this funds transfer system.

**Fedwire® Non-Value Transaction**—In the EFTPS environment, this transaction is the same-day Federal tax payment transmitted by a financial institution to FR-ETA using a Fedwire® non-value (Typecode 1090) message with a specific format and an IRS product code. These transactions settle through TIP throughout the day.

**Fedwire® Value Transfer**—In the EFTPS environment, this is a same-day Federal tax payment transmitted by a financial institution to FR-ETA using a Fedwire® value message (Typecode 1000). These payments settle immediately in funds.

**Financial Institution**—A financial institution is any bank, savings bank, savings and loan association, credit union, or similar institution. Any financial institution may process payments and deposits through the EFTPS. However, financial institutions participating in PATAX and/or TIP are referred to as depositories in this document.

**Fiscal Agent**—Fiscal agent refers to the FRB acting as agent for Treasury.

**Investor Depository (formerly Note Option Institution)**—An Investor depository is a TT&L depository that accepts Direct Investments of Treasury funds, depending on their balance limit, collateral value, and account balance. It may participate in the Dynamic Investment option and accept Special Direct Investments. It also may process electronic and/or paper tax deposits and retain such deposits as investments subject to the same conditions as a Retainer depository. All investments in an Investor depository's TIP main account balance or SDI account balance must be fully collateralized. Institutions pay interest to Treasury for use of these funds.

**National Customer Service Area (NCSA)**—NCSA is the office at the Federal Reserve Bank of St. Louis (FRBSTL) that manages a depository's TT&L program participation, keeps a record (that is an account) of a TT&L depository's TIP main or SDI account balances, and monitors collateral pledged under Treasury programs. The FRBSTL acts as fiscal agent on behalf of the U.S. Treasury.

**Off-Premises Collateral (OPC) Arrangement**—An OPC is a collateral custody arrangement that permits a depository to hold in its possession, for Treasury, collateral pledged to secure funds invested with the depository as SDIs (same as BIC arrangements.)

**Paper Tax System (PATAX)**—This is the centralized paper-based system through which the depository prepares an AOC summarizing the FTD coupons representing taxpayers who remit Federal tax deposits or payments by presenting an FTD coupon and payment to a depository.

**Penalties**—Penalties are monetary charges against depositories and financial institutions for delayed processing of tax payments on behalf of a taxpayer through EFTPS transactions and for late processing of tax deposits. (See IV TFM 1-2130.70.)

**Procedural Instructions**—These include procedures contained in TFM Volume IV and other Treasury instructions issued by Treasury or through TFAs and Federal Reserve System operating circulars.

**Receiving Depository Financial Institution (RDFI)**—A financial institution that receives an ACH entry is an RDFI. For an EFTPS ACH credit entry, the FRB, as fiscal agent, is the RDFI. For an EFTPS ACH debit entry, the taxpayer's financial institution is the RDFI.

**Recognized Insurance Coverage**—Recognized insurance coverage is the insurance provided by the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), or insurance organizations specifically qualified by the Secretary of the Treasury.

**Retainer Depository (formerly Note Option Institution)**—A Retainer depository accepts electronic and/or paper tax payments from its customers and retains some or all of the deposits depending on its balance limit, collateral value, and account balance. All retained deposits must be fully collateralized. These depositories pay interest to Treasury for use of the funds.

**Secretary**—Secretary refers to the Secretary of the Treasury or the Secretary's authorized delegate.

**Settlement Date**—Settlement date is the scheduled date on which the FRB will debit a financial institution or depository, or its correspondent.

**Special Direct Investment (SDI)**—An SDI is an investment of Treasury funds with a depository and a corresponding increase in that depository's SDI account balance. SDI funds are withdrawn within 21 days.

**SDI Account Balance**—An SDI account balance is an open-ended, interest-bearing note obligation equal to the current net dollar amount of an Investor depositary's Treasury investments (that is, funds credited to the depositary's Federal Reserve account) made under the SDI program. The investment must be fully secured by specified acceptable collateral retained in the possession of the depositary (OPC or BIC arrangement). The depositary pays Treasury interest on these funds and must qualify to hold collateral in a BIC arrangement. SDIs are withdrawn within 21 days.

**Treasury Financial Agent (TFA)**—A TFA is a financial institution designated as an agent of Treasury for processing EFTPS enrollments, receiving and processing EFTPS tax payment information, and originating ACH debit entries for taxpayers.

**Treasury General Account (TGA)**—The TGA is an account maintained in the name of the U.S. Treasury at an FRB.

**Treasury Investment Program (TIP)**—TIP is a centralized FRB application under the TT&L program that receives tax collections, invests funds, and monitors collateral pledged to secure public money.

**Treasury Investment Program (TIP) Main Account Balance**—The TIP main account balance is an open-ended, interest-bearing note obligation equal to the current net dollar amount of a Retainer or Investor depositary's current retained Federal tax deposits plus any Treasury investments made under the Direct Investment program. The depositary pays the Treasury interest on these funds. Treasury investments are credited to the depositary's Federal Reserve account.

**Treasury Tax and Loan (TT&L) Account**—A TT&L account is a record of transactions on the books of a TT&L depositary reflecting paper tax deposits received by the depositary. Settlement for TT&L transactions is made upon receipt of the AOC information by the NCSA and through the depositary's Federal Reserve account (or that of its designated correspondent).

**Treasury Tax and Loan Depositary (TT&L Depositary)**—The NCSA designates a financial institution as a TT&L depositary. A TT&L depositary maintains a TT&L account and/or a TIP main account balance and/or an SDI account balance. These depositaries also may process Federal tax payments through EFTPS.

**Treasury Tax and Loan (TT&L) Program**—The TT&L program includes PATAX, EFTPS, and TIP. Through this program, Treasury collects taxes and other funds and invests its short-term operating cash.

**Treasury Tax and Loan (TT&L) Reporting Cycle**—For PATAX, the TT&L reporting cycle begins on the first Thursday of each month and ends on the Wednesday preceding the first Thursday of the following month. For TIP, the TT&L reporting cycle begins on Thursday and ends on the following Wednesday.

**Treasury Tax and Loan (TT&L) Weekly Interest Rate Factor**—The Federal Reserve provides this rate. The annual rate is calculated and applied for the 7 calendar days ending on Wednesday.

## **Section 1025—Investment Option**

The Department of the Treasury (Treasury) uses TIP to temporarily invest excess operating funds. It invests funds in obligations of financial institutions designated as Investor depositaries. Open-ended notes comprise these obligations. The FRB reflects additions and reductions on its books. It may require these depositaries to be electronically connected to the FRB. TT&L depositaries must pledge collateral to secure all funds invested with TIP (see Section 1055).

## **1025.10—Eligibility**

Any financial institution may apply to participate in the investment option of TIP. The FRB, acting as Treasury's fiscal agent, approves TIP participation based on its assessment of an institution's financial condition. If the financial institution is a State-chartered bank or credit union, the FRB bases its approval on the opinion of the State-chartering authority.

## **1025.20—Application Process**

To apply for TIP participation, financial institutions must submit two forms to the National Customer Service Area (NCSA). Financial institutions must complete FMS 458: Financial Institution Agreement and Application for Designation as a Treasury Tax and Loan Depository. They also must submit FMS 459: Resolution Authorizing the Financial Institution Agreement and Application for Designation as a Treasury Tax and Loan Depository. On FMS 458, the institution must select either the Retainer or Investor option.

If a financial institution already designated as a Collector depository applies for TIP participation, it must submit an Election of Option Form.

NCSA certifies financial institutions as depositories and provides all three forms to financial institutions. NCSA will notify a financial institution of its acceptance or non-acceptance as a TIP participant.

## **1025.30—Effective Date**

NCSA will place approved depositories in the Retainer or Investor option as of the beginning of the next business day. Depositories should contact NCSA for the effective start date.

## **1025.40—Balance Limit**

Both Retainer and Investor depositories must declare an acceptable maximum investment amount (balance limit) of at least \$25,000 with the NCSA. A depository may change this balance limit by submitting a request via FedLine®. However, depositories that frequently reduce their balance limit may be subject to Treasury sanctions.

## **1025.50—Collateralization of TIP Main Account Balances**

Treasury requires that a depository pledge collateral to fully secure its balance limit at all times (see Section 1055). This applies to all depositories, including those participating in the Direct Investment program, Dynamic Investment feature, or Special Direct Investment program (see Sections 1035, 1040, and 1045). If a depository fails to collateralize its balance limit, the actual collateral value will be used to calculate capacity instead of balance limit.

## **1025.60—Sources of Investments**

Treasury funds invested in a depository's TIP main account balance include:

- Monies received as Federal Tax Deposit (FTD) coupons.
- Electronic Federal Tax Payment System (EFTPS) Automated Clearing House (ACH) credit and debit entries.
- Fedwire® value payments.

- Fedwire® non-value transactions.
- FedLine® taxpayer deposit application transactions.

### **1025.60a—FTD Coupons**

A TT&L depository posts funds remitted with FTD coupons to its TT&L account balance the same business day of the taxpayer's deposit. Then, the NCSA will post the amount listed on the Advice of Credit (AOC) to the depository's TIP main account balance if the depository has the capacity. It will post this amount on the date it is submitted electronically by the depository usually on the business day after the date shown on the AOC. These funds will remain invested in the depository's TIP main account balance until Treasury initiates a withdrawal. In cases where deposits would exceed a depository's capacity, the NCSA automatically will withdraw excess funds when it processes the transaction.

### **1025.60b—EFTPS ACH Credit and Debit Entries**

The NCSA posts ACH tax deposits or payments to the TIP main account balance on the day of settlement. Both ACH debit and credit transfers result in a debit to the reserve account of the depository, or its designated correspondent. They result in a credit to Treasury for the amount of the ACH tax deposit or payment. The NCSA posts ACH credits at 8:30 a.m. eastern time (e.t.) and ACH debits at 11 a.m. e.t.

Each business day, EFTPS provides summary files of ACH tax deposit or payment activity for financial institutions and depositories to the NCSA. The NCSA processes this information through TIP. For a Retainer or Investor depository, NCSA credits the reserve account (or the designated TT&L correspondent's reserve account) and posts the funds to the depository's TIP main account balance in the amount of the ACH tax deposit or payment. This offsets the resulting debit to the reserve account balance for the same ACH transaction.

These funds remain invested in the TIP main account balance until Treasury initiates a withdrawal. In addition, the NCSA automatically will withdraw all funds in excess of a depository's capacity.

### **1025.60c—EFTPS Fedwire® Non-Value and FedLine® Taxpayer Deposit Application Transactions**

The NCSA posts Fedwire® non-value and FedLine® taxpayer deposit application transactions to the TIP main account balance throughout the day on the day of settlement. These funds remain invested in the TIP main account balance until Treasury initiates a withdrawal. The NCSA automatically will withdraw all funds in excess of the depository's capacity.

### **1025.60d—EFTPS Fedwire® Value (Typecode 1000) Payments**

Other sources of Treasury investments include EFTPS Fedwire® value payments. The FRB debits Fedwire® value tax payments against the reserve account of the financial institution or depository and credits them to the Treasury General Account (TGA) immediately upon receipt. Fedwire® value information is passed hourly to TIP. TIP reinvests these monies with Investor and Retainer depositories, credits the depository, and debits the TGA.

### **1025.60e—Additional Sources of Investments**

The Direct Investment and SDI programs provide additional investment sources to Investor depositories

(see Sections 1035, 1040, and 1045).

## **1025.70—Withdrawal (Call) of Balances**

The Secretary of the Treasury initiates withdrawals (or calls for payment) from TIP main account balances through the NCSA. The NCSA determines a call of balance by the depository's class. (For information on depository classes, see IV TFM 1-2035.) The amount of the TIP main account balance is payable on demand without prior notice. Whenever possible, Treasury provides advance notice of a call of balance. The depository's class generally determines the amount of advance notice it will be given in the case of a call of balance, for example:

- Retainer and Investor Option Class A depositories generally receive 5 business days' notice. NCSA processes the call action at 10:30 a.m. e.t. Notice of the call action appears on the depository's daily activity statement at approximately 10:45 a.m. e.t. generally 5 business days before the call. NCSA will post the call to the TIP main account balance and debit the reserve account on the date specified in the notice.
- Retainer and Investor Option Class B depositories generally receive 3 business days' notice. NCSA processes the call action at 10:30 a.m. e.t. generally 3 business days before the call. Notice of the call action appears on the depository's daily activity statement at approximately 10:45 a.m. e.t. The NCSA will post the call to the TIP main account balance and debit the reserve account on the date specified in the notice.

Retainer and Investor Option Class C depositories generally receive either 1 business day prior or same business day notice from NCSA, as determined by Treasury.

### **1025.70a—One-Day Prior Notice**

NCSA processes the call at 10:30 a.m. e.t. Notice of the call action appears on the depository's daily activity statement at approximately 10:45 a.m. e.t. 1 business day before the call. NCSA posts the call to the TIP main account balance and debits the reserve account on the date specified in the notice.

### **1025.70b—Same-Day Notice**

NCSA processes the call action at 10:30 a.m. e.t. Notice of the call action appears on the depository's daily activity statement at approximately 10:45 a.m. e.t. on the business day of the call. NCSA posts the call to the TIP main account balance and debits the reserve account on that business day.

## **Section 1030—Changes of Option for TT&L Depositories**

A depository may change options (between Retainer, Investor, or Collector) by notifying NCSA at least 1 business day in advance. The depository is subject to the provisions of the existing option until NCSA formally notifies it of the change in option. All changes are effective as of the next business day. A depository should not change options more than three times annually. If a depository changes options frequently, it may be subject to Treasury sanctions.

### **1030.10—Retainer or Investor Depository**

After NCSA formally notifies a Retainer or Investor depository of its change to Collector depository, NCSA also withdraws the TIP main account balance on its books on the day before the effective date of the change. The NCSA will not process any calls for payment with an effective date after the change in option.



The NCSA will process Paper Tax System (PATAX) deposits received, or settled, on and after the effective date of change per Collector depositary procedures.

### **1030.20—Collector Depositary**

Upon receiving a change in option from Collector to Retainer or Investor, the NCSA determines if the depositary is eligible to be a Retainer or Investor. When it formally notifies a Collector depositary of a change to Retainer or Investor, the NCSA places the depositary in Retainer or Investor Class A, B, or C (see IV TFM 1-2035). NCSA will process all PATAX deposits received, or settled, on and after the effective date of change per Retainer or Investor procedures. NCSA subjects all AOCs dated before, but received after, the effective date to Collector requirements for the time between the AOC date and the effective date of the change in option. The NCSA adds these AOCs to the TIP main account balance as of the effective date of the change in option. If an assessment of late charges is in order, the NCSA assesses it for the time before the effective date of the change in option.

### **1030.30—Termination of Acceptance of FTD Coupons**

A depositary may stop accepting FTD coupons after it notifies NCSA in writing.

#### **1030.30a—Customer Notification**

A depositary should give its customers a minimum of 60 calendar days' notice (90 calendar days is preferable) that it will stop accepting FTD coupons. As a customer service, depositaries should make EFTPS enrollment forms available to their customers.

#### **1030.30b—Retainer or Investor Impact**

A depositary that stops FTD coupon processing functions may still participate in the TIP. Credits to the TIP main account balance may include EFTPS ACH debit and credit entries, Fedwire® value payments, Fedwire® non-value transactions, and FedLine® taxpayer deposit application transactions. Termination of FTD coupon processing functions will not affect the depositary's ability to process EFTPS transactions.

#### **1030.30c—Collector Impact**

A depositary that stops FTD coupon processing functions may still process EFTPS transactions. The term "Collector" relates to the processing of FTD coupons. Therefore, when the NCSA accepts a Collector depositary's decision to terminate FTD coupon processing, the Collector depositary becomes a financial institution (a financial institution processing EFTPS deposits and payments). This applies unless it chooses to change from a Collector depositary to a Retainer or Investor depositary.

## **Section 1035—Direct Investment Program**

The Direct Investment program offers a portion of Treasury's excess operating funds directly to Investor depositaries that elect to receive them. The FRB may require these Direct Investment participants to be connected electronically to the FRB.

### **1035.10—Direct Investment Application Process**

A depositary participating in the Direct Investment program must submit to the NCSA a completed Treasury

Tax and Loan Depository Offer to Receive Direct Investments form. The NCSA provides these forms. A depository must elect one of the Direct Investment notification arrangement options (see paragraph 1035.15). The NCSA will notify the depository of the date it qualifies for Direct Investment according to the notification arrangement elected by the depository.

This arrangement binds a depository until it formally submits a written change request to the NCSA and the NCSA processes that request.

### **1035.15—Direct Investment Notification Arrangements**

The NCSA distributes Direct Investment funds based on a participating depository's capacity. The NCSA distribution follows these notification arrangements:

- One-day prior notice—The NCSA notifies each depository participating under the Direct Investment 1-day prior notice arrangement of a Direct Investment 1 business day before posting the funds to the depository's (or its TT&L correspondent's) reserve account.
- Same-day notice—Depositories that elect the 1-day prior notice arrangement also may elect to participate in the same-day notice arrangement. Under the same-day notice arrangement, the NCSA notifies a depository of a Direct Investment on the same day. At the same approximate time, the Direct Investment credits the funds to the depository's (or its TT&L correspondent's) reserve account.

### **1035.20—Direct Investment Program Distribution**

The NCSA distributes Direct Investment funds to participants on either a 1-day prior notice arrangement or a combination of a 1-day prior and same-day notice arrangement (see paragraph 1035.15). It distributes Direct Investment funds based on actual capacity.

- The NCSA calculates a depository's actual capacity for the 1-day notice by subtracting its TIP main account balance from the depository's collateral value or balance limit (whichever is lower). It will subtract pending investments from and add pending withdrawals to that amount.
- The NCSA calculates a depository's actual capacity for the same-day notice by subtracting the TIP main account balance from the depository's collateral value or balance limit (whichever is lower).

### **1035.25—Examples of Direct Investment Distributions**

#### **1035.25a—Example of 1-Day Prior Notice Distribution**

1. The total capacity of all Direct Investment depositories electing 1-day prior notice distributions is \$6 billion on Wednesday (day 1).
2. Treasury elects to directly invest \$3 billion on Thursday (day 2).
3. The NCSA would announce this Direct Investment on Wednesday (day 1), calculate it based on Wednesday's 1-day capacity and distribute it on Thursday (day 2).
4. On Thursday (day 2), the NCSA would distribute to each 1-day prior notice depository Direct Investment funds equal to 50 percent of the depository's Thursday (day 2) actual available capacity.

Based on the above scenario, the NCSA would notify a depository on Wednesday that it will receive a transfer of 50 percent of its actual available capacity of Treasury's excess operating funds. Also on

Wednesday, the NCSA would calculate the 1-day actual capacity of a depository with a balance limit of \$500 million and collateral value of \$450 million as follows:

<b>Collateral value</b>	\$450 million
<b>TIP main account balance</b>	-200 million
<b>Pending investments</b>	-0
<b>Pending withdrawals</b>	+50 million
<b>Available capacity</b>	\$300 million

On Thursday, the NCSA would credit \$150 million (50 percent of its \$300 million actual capacity) of the Direct Investment funds to the depository's (or its TT&L correspondent's) reserve account and add them to the depository's TIP main account balance as long as the actual available capacity on Thursday is not lower than the generated investment.

### **1035.25b—Example of Same-Day Notice Distribution**

1. The total capacity of all Direct Investment depositories electing same-day notice is \$4 billion on Wednesday morning (day 1).
2. Treasury elects to directly invest \$1 billion on Wednesday (day 1).
3. On Wednesday, the NCSA would distribute to each same-day notice depository Direct Investment funds equal to 25 percent of each individual depository's actual available capacity.

Based on the above scenario, the NCSA would notify a depository that it will receive a transfer of 25 percent of its actual available capacity of Treasury's excess operating funds on Wednesday. Also on Wednesday, NCSA would calculate the actual capacity of a depository with a balance limit of \$700 million and collateral value of \$750 million as follows:

<b>Balance limit</b>	\$700 million
<b>TIP main account balance</b>	-300 million
<b>Available capacity</b>	\$400 million

On Wednesday, the NCSA would credit \$100 million (25 percent of its \$400 million actual available capacity) of the Direct Investment funds to the depository's (or its TT&L correspondent's) reserve account and add them to the depository's TIP main account balance.

### **1035.30—Direct Investment Balance Limit**

Direct Investment depositories must declare an acceptable maximum investment amount with the NCSA. The established balance limit for depositories participating in the Direct Investment program must be at least \$125,000. The balance limit for the Direct Investment program should be higher than the depository's daily peak balance normally generated by its tax deposits.

The NCSA, at its discretion, may permit the depository to temporarily reduce its balance limit below \$125,000.

A depository should not change its balance limit frequently. The NCSA will impose sanctions on a

depository that frequently reduces its balance limit.

### **1035.35—Direct Investment Announcements**

The NCSA processes Direct Investment announcements at 10:30 a.m. e.t. and notifies the depository on its daily activity statement at approximately 10:45 a.m. e.t.

The NCSA notifies Direct Investment depositories under the 1-day prior notice arrangement on their TIP daily activity statement by approximately 10:45 a.m. e.t. on the business day before it places Direct Investment funds in the depository's (or its TT&L correspondent's) reserve account.

Under the same-day notice arrangement, the NCSA notifies Direct Investment depositories on their TIP daily activity statement by approximately 10:45 a.m. e.t. on the business day it places Direct Investment funds in the depository's (or its TT&L correspondent's) reserve account.

### **1035.40—Timing for Direct Investment Funds**

The NCSA posts Direct Investment funds to a depository's TIP main account balance at the same time it credits the funds to the depository's reserve account (or that of its TT&L correspondent). Under the 1-day prior notice arrangement, it posts Direct Investment funds to the depository's TIP main account balance and credits them to the depository's reserve account 1 business day after the day of announcement. This is called the day of "placement." The NCSA posts Direct Investment funds under the same-day notice arrangement to the depository's TIP main account balance and credits them to the depository's (or its TT&L correspondent's) reserve account on the day of announcement.

Interest begins to accrue on the date the NCSA posts the funds to the depository's TIP main account balance.

### **1035.45—Withdrawal (Call) of Balances Placed as Direct Investments**

The NCSA does not differentiate funds received under the Direct Investment program from any other funds in the depository's TIP main account balance. Therefore, these balances are subject to call on the same basis as any other part of the TIP main account balance. Call procedures are based on depository class (see paragraph 1025.70).

### **1035.50—Direct Investments Not Included in Totals Used for Reclassification**

Annually, the FRB reclassifies Retainer and Investor depositories. It classifies a depository as Class A, B, or C (see IV TFM 1-2035) based on the depository's:

- FRB TT&L application deposits during the previous calendar year.
- Deposit liabilities (both demand and time) as of September 30 of the previous year.
- Balance limit.

In classifying a depository, the FRB does not include funds the depository received under the Direct Investment program.

### **1035.55—Collateral Requirement for Direct Investment Balances**

A depository must secure its TIP main account balance by a pledge of collateral (see Section 1055). For Direct Investment fund purposes, a depository must set a balance limit that is higher than its anticipated daily peak FRB TT&L application deposits. The depository must pledge collateral to cover its total FRB TT&L application deposits and Direct Investment funds.

## **Section 1040—Dynamic Investment Feature**

Depositories may elect to participate in the Dynamic Investment feature. Investor depositories participating in this program receive investments throughout the day. These investments consist of Treasury's accumulated excess operating funds previously credited to the TGA. The FRB may require that depositories participating in the Dynamic Investment feature be connected electronically to the FRB.

### **1040.10—Dynamic Investment Feature Application Process**

Dynamic Investment feature participants must have elected the same-day notification arrangement option (Offer to Receive Direct Investments form). An Investor depository will establish its own cutoff time for investments between noon and 5 p.m. e.t.

The NCSA will notify the depository of the effective date it qualifies to act under its notification arrangement option. This arrangement binds the depository until NCSA processes a formal, written change request from the depository.

### **1040.20—Dynamic Investment Feature Notification Arrangements**

The NCSA distributes Dynamic Investment funds to participating depositories based on capacity.

### **1040.30—Dynamic Investment Feature Distribution**

The NCSA distributes Dynamic Investment funds to each participant hourly, beginning at noon e.t. and ending at 5 p.m. e.t. unless the depository's established cutoff time is earlier or Treasury turns off the feature. The NCSA distributes these funds based on capacity.

### **1040.40—Dynamic Investment Feature Announcements**

Dynamic Investment feature announcements appear on a depository's daily activity statement at approximately 10 minutes after the hour.

### **1040.50—Timing for Dynamic Investment Feature Funds**

The NCSA posts Dynamic Investment funds to a depository's TIP main account balance at the same time the funds are credited to the reserve account of the depository (or its TT&L correspondent). The NCSA posts Dynamic Investment funds to the depository's TIP main account balance and credits them to the depository's reserve account at approximately 20 minutes past the hour between noon and 5 p.m. e.t.

Interest begins to accrue on the date the NCSA posts the funds to the depository's TIP main account balance.

### **1040.60—Withdrawal (Call) of Balances Placed as Dynamic Investments**

The NCSA does not differentiate funds received by depositaries under the Dynamic Investment feature from any other part of the depositary's TIP main account balance. Therefore, these balances are subject to call on the same basis as any other part of the TIP main account balance. As always, call procedures are based on depositary class (see paragraph 1025.70).

## **Section 1045—Special Direct Investment Program**

The SDI program is a placement of Treasury's excess operating funds into the SDI account balance secured by an off-premises collateral (OPC) arrangement. The FRB may require that depositaries participating in the SDI program be connected electronically to the FRB.

Treasury, as a creditor acting through the FRB, obtains a perfected security interest in collateral pledged by a depositary to secure an SDI. Treasury does not take possession of the collateral pledged for a 21-day period from the time the security interest in the collateral attaches (that is, when the FRB credits SDI funds to the depositary's reserve account). A written security agreement must be in effect, and the debtor must have rights in the collateral. Because of the 21-day limit, Treasury's internal procedures ensure that balances placed with depositaries under SDIs do not remain with depositaries longer than 21 calendar days.

### **1045.10—Eligibility Requirements**

A depositary electing to participate in the SDI program must:

- Currently participate in the Direct Investment program (see Section 1035).
- Pledge acceptable OPC collateral (see paragraph 1045.60) in a minimum amount of \$2.5 million. The amount of collateral pledged under the OPC arrangement cannot exceed an amount equal to 10 percent of a depositary's total assets based on the depositary's December call report or yearend balance sheet.
- Abide by the same terms and conditions of the FRB's Borrower-in-Custody of Collateral Program (BIC) used by depositaries to secure borrowings from the FRB. (For BIC requirements, contact the local FRB's Credit Discount Department.)

### **1045.15—SDI Application Process**

A depositary electing to participate in the SDI program must submit a completed Agreement to Secure Special Direct Investment form to the NCSA. The NCSA will review the information submitted by the depositary for compliance with prescribed terms and eligibility requirements. A depositary must elect one of the SDI notification arrangements listed in paragraph 1045.20. The NCSA will notify the depositary of the effective date it may act under the agreed-upon notification arrangement.

The NCSA provides all the required forms. The local FRB Credit Discount Department will provide instructions to establish the OPC arrangement, including security agreements and other credit discount forms or statements. The depositary's elected notification arrangement binds a depositary until NCSA process a formal, written change request submitted by the depositary.

### **1045.20—SDI Notification Arrangements**

The NCSA announces an SDI in the same way it currently announces placement of funds in the Direct Investment program. The difference between the depositary's collateral value (see paragraphs 1045.60 and 1055.20) pledged to the SDI program and its current SDI account balance is called its SDI capacity. The

NCSA distributes SDI balances based on SDI capacity to participating depositories based on the following notification arrangement:

- One-day prior notice—The NCSA notifies each depository participating under the 1-day prior notice arrangement of an SDI 1 business day before it distributes the funds.
- Same-day notice—Depositories electing to participate in the 1-day prior notice arrangement also may choose to participate in the same-day notice arrangement. Under the same-day notice arrangement, the NCSA notifies a depository of an SDI on the same day, and at the same approximate time, as it credits the funds to the reserve account of the depository (or its TT&L correspondent).

### **1045.25—SDI Program Distribution**

The NCSA distributes SDI funds to each participant on either a 1-day prior notice arrangement or a 1-day prior notice and same-day notice arrangement. It distributes SDI funds based on the depository's actual SDI capacity.

- The NCSA calculates actual capacity for the 1-day notice by subtracting the depository's SDI account balance from its SDI collateral value. The NCSA also subtracts SDI pending investments from and adds SDI pending withdrawals to that amount. The result is the depository's actual SDI capacity.
- The NCSA calculates actual capacity for the same-day notice by subtracting the SDI account balance from the depository's SDI collateral value.

### **1045.30—Examples of SDI Distributions**

#### **1045.30a—Example of 1-Day Prior Notice Distribution**

1. The total capacity of all SDI depositories electing 1-day prior notice is \$6 billion on Wednesday (day 1).
2. Treasury elects to directly invest \$3 billion on Thursday (day 2).
3. The NCSA would announce this SDI on Wednesday (day 1), calculate it based on Wednesday's 1-day capacity and distribute it on Thursday (day 2).
4. On Thursday (day 2), the NCSA would distribute to each 1-day prior notice depository SDI funds equal to 50 percent of each individual depository's Wednesday 1-day capacity as long as the actual available capacity on Thursday is not lower than the generated investment.

Based on the above scenario, on Wednesday, the NCSA would notify a depository that it will receive a transfer of 50 percent of its SDI actual available capacity of Treasury's excess operating funds. On Wednesday, the NCSA would calculate the actual 1-day capacity of a depository with an SDI collateral value of \$500 million as follows:

<b>SDI collateral value</b>	\$500 million
<b>SDI account balance</b>	-150 million
<b>Pending SDI investments</b>	-100 million
<b>Pending SDI withdrawals</b>	+50 million
<b>SDI available capacity</b>	\$300 million

On Thursday, the NCSA would credit \$150 million (50 percent of its \$300 million 1-day capacity) of the SDI funds to the depositary's (or its TT&L correspondent's) reserve account. It would then add them to the depositary's SDI account balance as long as the actual available capacity on Thursday is not lower than the generated investment.

### **1045.30b—Example of Same-Day Notice Distribution**

The total SDI collateral value of all SDI depositaries electing same-day notice is \$4 billion on Wednesday morning (day 1).

Treasury elects to directly invest \$1 billion on Wednesday (day 1).

Therefore, on Wednesday, the NCSA would distribute to each same-day notice depositary SDI funds equal to 25 percent of each individual depositary's actual available capacity.

Based on the above scenario, on Wednesday, the FRB would notify a depositary that it will receive a transfer of 25 percent of its SDI actual available capacity of Treasury's excess operating funds. On Wednesday, the FRB would calculate the SDI actual capacity of a depositary with an SDI collateral value of \$700 million as follows:

<b>SDI collateral value</b>	\$700 million
<b>SDI account balance</b>	-300 million
<b>SDI available capacity</b>	\$400 million

On Wednesday, the NCSA would credit \$100 million (25 percent of its \$400 million actual available capacity) of the SDI funds to the depositary's (or its TT&L correspondent's) reserve account. It would then add them to the depositary's SDI account balance.

### **1045.35—Minimum Amount of SDI Funds**

Treasury has no limit on the amount of SDI funds it places. There is no minimum. However, in no case will the depositary's SDI account balance exceed the collateral pledged.

### **1045.40—SDI Announcements**

The NCSA processes SDI announcements at 10:30 a.m. e.t. It notifies the depositary on the depositary's daily activity statement at approximately 10:45 a.m. e.t.

### **1045.45—Timing for SDI Funds**

The NCSA adds SDI funds to a depositary's SDI account balance at the same time it credits the funds to the depositary's reserve account.

- Under the 1-day prior notice arrangement, the NCSA posts SDI funds to the depositary's SDI account balance and credits them to the depositary's reserve account on the day of placement (1 day after the day of announcement).
- Under the same-day notice arrangement, the NCSA posts SDI funds to the depositary's SDI account balance and credits them to the depositary's reserve account on the day of



announcement.

Interest begins to accrue on the date the NCSA adds the funds to the SDI account balance.

### **1045.50—Withdrawal (Call) of Balances Placed as SDIs**

The NCSA withdraws SDI balances from the SDI account balance. The NCSA notifies the depository of these withdrawals on the depository's daily activity statement, which is available at approximately 10:45 a.m. e.t. Depositories must pay SDI balances on demand without prior notice. However, Treasury generally gives a depository 1-day prior notice of withdrawals.

### **1045.55—SDIs Not Included in Totals Used for Reclassification**

Annually, the FRB reclassifies Retainer and Investor depositories into Classes A, B, and C (see IV TFM 1-2035). The FRB bases its classification on the depository's:

- FRB TT&L application deposits during the previous calendar year.
- Deposit liabilities (both demand and time) as of September 30 of the previous year.
- Balance limits.

The FRB does not include SDI program funds received by depositories in the figures it uses for reclassifying depositories.

### **1045.60—Collateral Requirements for SDI Balances**

The local FRB Credit Discount Department must approve the pledging depository's collateral procedures to secure SDI account balances. It subjects these procedures to the same terms and conditions of its BIC program, which depositories use to secure borrowings from the FRB.

#### **1045.60a—Collateral Location**

The pledging depository, which retains possession of the collateral on its own premises in an OPC arrangement, holds the collateral to secure SDI account balances. It must hold the collateral available at all times for on-site FRB review.

#### **1045.60b—Acceptable Types of Collateral to Secure SDI Balances**

Eligible collateral to secure SDI account balances includes:

- One-to-four family mortgages.
- Insured student loans (notes representing educational loans insured or guaranteed under the program authorized by Title IV of the Higher Education Act of 1965, as amended, or Title VII of the Public Health Services Act, as amended).

In addition, all pledged collateral must be:

- Deemed acceptable by the Federal Reserve System to secure borrowings from an FRB for its BIC collateral program.
- Held by the pledging depository institution that retains possession of the collateral on its own

premises under an OPC arrangement.

Contact the local FRB's Credit Discount Department or the NCSA for specific information on the acceptability of collateral pledged to secure SDI account balances. (See Section 1055.)

#### **1045.60c—Collateral Valuation**

The FRB applies the same value and techniques used for collateral under its BIC program to collateral pledged under OPC arrangements. When a depository pledges declining balance collateral, the FRB may require that the depository furnish at least monthly (or more frequently at the FRB's request) an updated statement showing the revised value of the collateral pledged. (See Section 1055.)

#### **1045.60d—Collateral Amount**

All SDI account balances must be 100 percent collateralized.

#### **1045.65—Advice of Custody Information**

Depositories participating in the SDI program must comply with FRB instructions. They also must submit collateral reports to the FRB, as required.

### **Section 1050—Computation and Collection of Interest on TIP Main Account Balances**

The NCSA charges interest on a depository's TIP main account balance from the date it credits the funds. It determines the amount of interest due by applying the weekly interest rate factor to the average daily account balance for each week of the reporting cycle.

#### **1050.10—Computation and Basis of Interest Charges on TIP Main Account Balances and SDI Account Balances**

The NCSA determines the interest on the TIP main account balance and the SDI account balance. It does so by multiplying the interest rate factor for the investment program by the average daily amount of the TIP main account balance and the SDI account balance for each week. It determines the average daily amount by dividing the sum of the daily closing account balances by 7. The weekly period runs from Thursday through Wednesday. For Saturday and Sunday, the NCSA carries forward the balance at close of business on Friday as the balance for Saturday and Sunday. For other FRB nonbusiness days, the NCSA carries forward the previous business day's balance as the balance for the nonbusiness calendar day.

On the first business day after the close of a TT&L reporting cycle, the NCSA collects interest due Treasury through the depository's reserve or clearing account (or the designated TT&L correspondent's reserve account). The NCSA includes this information in the depository's daily activity statement, available in the early afternoon. TIP charges appear on Thursday's daily activity report (see IV TFM 1-2040).

### **Section 1055—Collateral Security Requirements**

The terms and conditions in 31 CFR 203 and 380, as amended, require that a TT&L depository pledge acceptable collateral security. The pledged collateral security must cover all amounts credited to the depository's TT&L account in excess of recognized insurance coverage and the total established balance limit in the depository's TIP main account balance, if applicable. If a depository's collateral value falls below

its balance limit, the NCSA will automatically debit the depositary's TIP main account balance and its reserve account.

If the depositary:

- Fails to pay, when due, the whole or any part of the funds received for credit to its TIP main account balance, and/or if applicable, its SDI account balance.
- Violates or fails to perform any of the terms of 31 CFR 203 and 380.
- Fails to pay, when due, amounts owed to the United States or the U.S. Treasury.

**OR**

- Is closed for business by regulatory action or by proper corporate action, or a receiver, conservator, liquidation, or any other officer is appointed.

Then, the Secretary of the Treasury, with or without notice or demand, may:

- Redeem or sell, at either public or private sale(s), or otherwise collect the proceeds of all or part of the collateral, including additions or substitutions.
- Apply the proceeds, after deducting all necessary expenses of such redemptions or sale(s), to the payment of funds received by the depositary, or other indebtedness of the depositary, to satisfy any claim of the United States against the depositary.

Treasury will hold separate and apart from any other asset all principal and interest payments on any collateral pledged to protect the SDI account balance and/or the TIP main account balance, as applicable, due as of the date of the insolvency or closure, or thereafter becoming due. These payments will constitute a part of the pledged collateral available to satisfy any claim of the United States.

### **1055.10—Acceptable Collateral**

Treasury's Bureau of the Fiscal Service has the regulatory authority (31 CFR 380) and procedural responsibility to establish acceptable collateral (see the Contacts page). It determines the collateral valuation for TIP. Collateral to fully secure the TIP main account balance and SDI account balance must be marketable securities or instruments.

The local FRB's Credit Discount Department provides information on the acceptability of specific collateral within the acceptable classes. Information regarding acceptable collateral for the TT&L program is distributed periodically and posted to the TreasuryDirect website ([www.treasurydirect.gov/instit/statreg/collateral/collateral.htm](http://www.treasurydirect.gov/instit/statreg/collateral/collateral.htm)) and the Federal Reserve's Financial Services website ([www.frb services.org](http://www.frb services.org)). Unless specified otherwise by Treasury, the following are classes of acceptable collateral:

- Obligations issued and fully insured or guaranteed by the U.S. Government or a U.S. Government agency.
- Obligations of U.S. Government-Sponsored Enterprises (GSE) and Government-Sponsored Corporations (GSC) that under specific statute may be accepted as security for public funds.
- Obligations issued or fully guaranteed by international development banks.
- Insured student loans or notes representing educational loans insured or guaranteed under a program authorized under Title IV of the Higher Education Act of 1965, as amended, or Title VII of the Public Health Service Act, as amended.

General obligations issued by States of the United States and Puerto Rico.

- Obligations of counties, cities, or other U.S. governmental authorities or instrumentalities that are not in default as to payments on principal or interest and that may be purchased by banks as investment securities under the limitations established by appropriate Federal bank regulatory agencies.
- Obligations of domestic corporations that may be purchased by banks as investment securities under the limitations established by appropriate Federal bank regulatory agencies.
- Qualifying commercial paper, commercial and agricultural loans, and bankers' acceptances approved by the Federal Reserve System at the direction of Treasury.

### **1055.20—Collateral Valuation**

Generally, Fiscal Service applies a collateral valuation consistent with the Federal Reserve System guidelines for valuation of the same types of collateral pledged to secure borrowings from the FRB (discount window). The FRBs, at the direction of Treasury, apply a collateral valuation approach that relies on market values for assets where reliable and active markets exist. Where market information is not readily available, the FRB considers major risks inherent in the assets pledged in determining collateral value. Contact the local FRB's Credit Discount Department for valuations assigned to specific collateral. Information regarding the valuation of acceptable collateral for the TT&L program is distributed periodically and posted to the TreasuryDirect website ([www.treasurydirect.gov/instit/statreg/collateral/collateral.htm](http://www.treasurydirect.gov/instit/statreg/collateral/collateral.htm)) and the Federal Reserve's Financial Services website([www.frbervices.org](http://www.frbervices.org)).

### **1055.30—Custody of Collateral**

Depositories place collateral security with the FRB, or a custodian within the United States designated by the FRB, under FRB-prescribed terms and conditions. Depositories also may pledge collateral under an extended custody arrangement. The local FRB's Credit Discount Department provides terms and conditions that permit depositories to pledge collateral under an extended custody arrangement.

SDIs must be secured by OPC or BIC arrangements (see paragraph 1045.60).

The FRB must authorize all custodians. All custodians are subject to FRB review procedures, including on-site reviews. If one FRB authorizes a custodian under an agreement form, the authorization automatically is binding throughout the Federal Reserve System. The custodian must ensure the pledged collateral satisfies FRB-prescribed collateral standards.

Contact the local FRB's Credit Discount Department for a list of collateral custodians and extended collateral custodians.

### **1055.40—Ownership of Collateral**

The depository must own all collateral free and clear of liens, charges, and claims.

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## **CONTACTS**

***Direct additional inquiries concerning policies, guidelines, and operating procedures (except acceptable collateral and collateral valuation as noted below) to:***

Office of the Fiscal Assistant Secretary  
Department of the Treasury  
1500 Pennsylvania Ave., NW.  
Washington, DC 20220  
Telephone: 202-622-0560

***Direct inquiries concerning operating procedures in this chapter to the NCSA at 888-568-7343.***

***Direct inquiries concerning acceptable collateral and collateral valuation that the local FRB's Credit Discount Department cannot resolve to:***

Government Securities Regulations Staff  
Bureau of the Fiscal Service  
Department of the Treasury  
401 14th St., SW.  
Washington, DC 20227

Information regarding acceptable collateral and its respective valuation for the TT&L program is distributed periodically and posted to the TreasuryDirect website ([www.treasurydirect.gov](http://www.treasurydirect.gov)) and the Federal Reserve's Financial Services website ([www.frbservices.org](http://www.frbservices.org)).

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## **Transmittal Letter No. 2**

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### **Volume III**

#### **TO: Depositories and Financial Agents of the Government**

##### **1. Purpose**

This transmittal letter releases a new chapter, Treasury Financial Manual (TFM), Volume III, Part 4, Chapter 1000: Treasury Investment Program. This chapter guides depositories participating in the Treasury Investment Program (TIP).

The content of this chapter, which has not been updated, and the related definitions have been combined from other TFM chapters and transferred to Volume III. The Office of the Fiscal Assistant Secretary of the Treasury will work with a technical writer to create a TFM investment chapter that will guide depositories participating in the new investment program.

##### **2. Page Changes**

###### **Remove**

Table of Contents for Volume III (T/L 1)

###### **Insert**

Table of Contents for Volume III

Table of Contents for Part 4

III TFM 4-1000

##### **3. Effective Date**

This transmittal letter is effective immediately.

#### **4. Inquiries**

**Direct questions concerning this transmittal letter to:**

TFM Coordinator  
Revenue Collections Management  
Bureau of the Fiscal Service  
Department of the Treasury  
401 14th Street SW.  
Washington, DC 20227  
Telephone: 202-874-9592

A handwritten signature in black ink, appearing to read "DLB", is positioned below the contact information.

David A. Lebryk  
Commissioner  
Date: March 13, 2013